

UNITED STATES OF AMERICA  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

UNITED STATES OF AMERICA, )  
 )  
 Plaintiff, )  
 )  
 vs. ) No. 4:14-CR-311 CEJ  
 )  
 CRISTOPHER M. CRISTEA, )  
 )  
 Defendant. )

TRANSCRIPT OF DETENTION HEARING  
BEFORE THE HONORABLE CAROL E. JACKSON  
UNITED STATES DISTRICT JUDGE

May 20, 2015

APPEARANCES :

For Plaintiff: Mr. Steven A. Muchnick  
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Proceedings recorded by mechanical stenography, produced by computer-aided transcription.

## I N D E X

Direct	Cross	Redirect	Recross
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DEFENDANT'S WITNESSES

JAMES GUNN

(By Mr. Sison)

7

(By Mr. Muchnick)

14

(By Mr. Sison)

20

STEPHEN KOENEMAN

(By Mr. Sison)

24

(By Mr. Muchnick)

32

CHRISTINA R. CRISTEA

(By Mr. Sison)

33

## E X H I B I T S

Offered

Received

DEFENDANT'S EXHIBITS

A through C

52

53

1 (The following proceedings were held in open court  
2 on May 20, 2015 at 10 a.m.):

3 THE COURT: This is United States versus  
4 Cristopher -- is it pronounced Cristea?

5 MR. SISON: Cristea.

6 THE COURT: It's before the Court for a hearing on  
7 the Defendant's motion to review and revoke the detention  
8 order previously entered in this case.

9 As I understand it, the Defendant has some  
10 additional testimony to present; that is, some witnesses who  
11 were not previously called at the earlier hearing and who  
12 have information that was not previously presented at the  
13 earlier hearing. Is that correct?

14 MR. SISON: That is correct, Your Honor.  
15 Essentially we have just -- a lineup for today just for the  
16 Court's edification is we have four witnesses: Mr. Jim Gunn,  
17 Mr. Steve Koeneman, Mr. Andy Carter, and Ms. Christy Cristea,  
18 who is the wife of the Defendant. And then I have three  
19 exhibits that I would proffer to the Court, which would be  
20 Exhibit A, a proposed conditions of release; B, a letter from  
21 his grandfather; and C, a letter from Brian Wandersee, who  
22 would be his potential employer if he is to be released on  
23 bond, Judge.

24 THE COURT: I want to make sure I understand what's  
25 really in dispute here. In reading the detention order, the

1 conclusion that was reached by Judge Collins was that Mr. --  
2 that there was probable cause to believe that Mr. Cristea had  
3 committed a new offense while on bond, and that that caused  
4 her to conclude that it was unlikely that he would abide by  
5 any condition or combination of conditions of release. I  
6 don't read the detention order as being based on a concern  
7 about potential flight.

8 MR. SISON: That's correct, Judge.

9 THE COURT: Is that right? Is that your view also,  
10 Mr. Muchnick?

11 MR. MUCHNICK: Yes, Your Honor. We did not bring in  
12 any evidence of flight at the hearing before the magistrate  
13 judge. That wasn't our concern.

14 THE COURT: Okay. So here's what I'm probably going  
15 to be very less interested in hearing is any testimony about  
16 the availability of property or other security for the  
17 Defendant's release. Because that is -- that would be  
18 relevant only if he presented a flight risk, and that's not  
19 at issue here.

20 The focus I think needs to be on whether he presents  
21 a danger to the community by virtue of the fact that  
22 according to the previous finding, he was engaged in some  
23 criminal conduct while on bond. So --

24 MR. SISON: It's --

25 THE COURT: Go ahead.

1 MR. SISON: And, Judge, I think the way that we  
2 chose to address that, Judge, is because of the standard of  
3 review for the factual findings of the magistrate are subject  
4 to clear error. We're not disputing the fact that the judge  
5 found factually that there was probable cause that he  
6 committed a crime, a new crime on that offense, and that it  
7 was clear and convincing evidence that he violated a  
8 condition of release.

9 Our essential attack on the magistrate's order  
10 essentially is that basically that she erred when she did not  
11 consider whether there were any less onerous conditions that  
12 could be imposed that could satisfy the safety of the  
13 community. So, for example, our Exhibit A proposes at least  
14 ten different conditions that we believe could address those  
15 conditions, and some of the testimony will be to that effect.

16 The first two witnesses that I have, Mr. Gunn and  
17 Mr. Koeneman, talk about the Defendant's history and  
18 characteristics, you know, as a standing in the community and  
19 whatnot. So that's who I was going to put those up for.

20 Mr. Carter, because he is the in-law that posts the  
21 property and basically acts as a third-party custodian, I can  
22 drop him off if the Court is not interested in hearing that,  
23 but just proffer the evidence of what he's willing to do and  
24 what he's willing to subject himself to in the event that  
25 Mr. Cristea does violate a condition of bond or doesn't show

1 up.

2 And then finally Ms. Cristea would testify regarding  
3 what she's willing to do to make sure to ensure those  
4 conditions are satisfied moving forward.

5 That would be the evidence that we'd present.  
6 Because it's our position that while the judge did find that  
7 he committed a new offense, all it does is establish a  
8 presumption, a rebuttal presumption that no conditions of  
9 release could satisfy the safety or reasonably assure the  
10 safety of the community. So it's our position and based on  
11 the Eighth Circuit of *Abad*, it is our duty and our burden to  
12 produce some evidence to rebut that presumption. And once  
13 that evidence is produced, the presumption still remains with  
14 the Court for consideration.

15 But the ultimate question before the Court is are  
16 these additional conditions that are being proposed by us,  
17 could that reasonably assure the safety of the community.  
18 That's the sum and total substance of today's testimony in  
19 the hearing.

20 THE COURT: All right. Well, I'll listen to your  
21 witnesses, but I probably do not want to hear testimony from  
22 any witness who is going to talk about, as I said before, the  
23 availability of property or other security to secure  
24 Mr. Cristea's release or any testimony about anything that  
25 would relate to the issue of flight. I'm just not interested

1 in that. Okay.

2 MR. SISON: Okay.

3 THE COURT: So go ahead and call your first witness.

4 MR. SISON: Sure, Judge. The first witness is  
5 Mr. Jim Gunn.

6 May I proceed, Your Honor?

7 THE COURT: You may.

8 JAMES GUNN,

9 Having been first duly sworn, was examined and testified as  
10 follows:

11 DIRECT EXAMINATION

12 BY MR. SISON:

13 Q. Would you please state your name for the record.

14 A. James F. Gunn, G-u-n-n.

15 Q. And, Mr. Gunn, what is your occupation?

16 A. Attorney.

17 Q. And who do you work for?

18 A. Well, I was formerly a partner at Thompson Coburn; I'm  
19 now retired.

20 Q. And how long were you a partner at Thompson Coburn?

21 A. I don't know, 16, 17 years, something like that.

22 Q. And, Mr. Gunn, are you familiar with the Defendant in  
23 this case, Cristopher Cristea?

24 A. I am.

25 Q. And tell me -- could you please tell the Court how you

1 know Mr. Cristea?

2 A. Well, I was trying to remember when I first met him. I  
3 think I met him when he was at BJC working as a healthcare  
4 planner. And then I subsequently met him when he was the  
5 executive vice president of an HMO, a health maintenance  
6 organization, that I was involved with.

7 Q. Okay. And, Mr. Gunn, do you currently still have a  
8 relationship with Mr. Cristea?

9 A. I haven't talked to Cris in several years.

10 Q. And the nature of your relationship with Mr. Cristea I  
11 take it was a business relationship, would that be fair to  
12 say?

13 A. It was, although I met Mrs. Cristea socially. I think  
14 I met his kids socially. So -- but it was 99 percent a  
15 business relationship.

16 Q. And can you tell me, I guess you gave the context of  
17 how that business relationship arose. Can you tell me the  
18 nature of that business relationship, how it progressed over  
19 the course of the representation?

20 A. I don't remember the exact date, but I would presume  
21 it's more than ten years ago, but I was called by the  
22 president of the HMO and was asked to come out and meet with  
23 him and with Cris to give them a primer on how management  
24 buyouts work in the healthcare industry.

25 Q. So you were negotiating a buyout, I take it, of an



1 entity, is that fair to say?

2 A. Well, management was considering whether or not they  
3 would become involved and try to assemble the financing  
4 necessary to buy out their present plan, their present  
5 employer.

6 Q. And during the course of assembling this financing,  
7 what kind of interaction did you have with Mr. Cristea?

8 A. Well, I had very extensive interaction with Cris. He  
9 was the primary person that we relied on for the numbers. He  
10 also had a very clear understanding of the business and was  
11 extremely valuable from the perspective of me putting  
12 together the buyout.

13 Q. And what was the end result of the buyout or -- what  
14 eventually happened in the course of this, you assembling  
15 financing?

16 A. Well, it was extremely successful. We -- management  
17 was successful in purchasing the business from Tenet  
18 Healthcare. They wanted to sell and my clients wanted to  
19 buy, so that always makes for a good start. And then  
20 eventually we got involved in a very complicated arrangement  
21 with Mercy Healthcare plan. And -- but we concluded that  
22 transaction about three or four years after the original  
23 buyout. And then about five years after that a large HMO  
24 from California purchased the Mercy Healthcare plan.

25 Q. And was Cris involved in those other incidences as

1 well?

2 A. 100 percent, he was a key -- he was a key participant  
3 from the beginning to the end.

4 Q. And how would you judge him? How would you describe  
5 him as a business person?

6 A. Well, I used to always say he's smart beyond his years.  
7 He's a young -- I considered him a kid, to be honest, a young  
8 person -- I shouldn't say a kid -- but a young person,  
9 extremely bright. But I knew that because I knew his boss at  
10 BJC had told me that he had hired somebody and that he was  
11 really pleased with him.

12 But the big thing is is that Cris understood the  
13 business like nobody understood the business. I mean, he was  
14 extremely knowledgeable about his business.

15 Q. And did you ever have any -- during the course of that  
16 representation to make sure that these projects went through,  
17 were there any times where you thought that Cris maybe didn't  
18 know something but he was quick to pick it up?

19 A. Sure. Yeah, Cris was not involved -- had never been  
20 involved in a sale or an acquisition of a business per se,  
21 and so he had a lot to learn from that perspective. But  
22 sure. And there are complicated documents, there's a lot of  
23 due diligence you have to do. There's management  
24 representations that have to be given. But Cris, he was a  
25 quick learner.

1 Q. And so I take it at some point during you assembling  
2 the finances that you were required to give him certain  
3 instructions that he had to follow to make sure these  
4 projects went through, would that be fair to say?

5 A. Oh, sure. The management team, which really consisted  
6 of Cris and his boss, they relied on me to walk them through,  
7 so to speak, the acquisition. I understand their business a  
8 little bit -- well, more than a little bit.

9 Q. One of the things that my limited understanding of  
10 mergers and acquisitions, things when you do due diligence  
11 like seller's representations and warranties, would that be  
12 correct?

13 A. That's correct.

14 Q. And what role did -- I assume Cris had no knowledge of  
15 that prior to doing this, so what role did you have in terms  
16 of instructing him regarding the seller's representations and  
17 warranties.

18 A. Well, the attorneys in my office, we had to divide up  
19 the due diligence. And there's different areas that you have  
20 to do it. It's a long involved process. But different  
21 lawyers work with Mr. Linder, Cris's boss, and Cris on going  
22 through all the items of the representations so that when we  
23 finally gave them to the seller, they would be -- or to the  
24 purchaser, they would be true.

25 Q. And were these facts and disclosures that were required

1 to be compiled by Mr. Cristea?

2 A. Oh, sure, yeah. Yeah, there's a lot of financial  
3 representations that are made with respect to the financial  
4 statements for the entity. And there's also a lot of, if you  
5 want to call them healthcare statistics, for instance, usage  
6 data, like the stay data for people who have been  
7 hospitalized, usage data; that is, people who use medical  
8 services. And Cris maintained all of those, the details of  
9 all of those within the office. He didn't himself do it, but  
10 he had a staff that maintained all of that.

11 Q. And did you feel that he was aboveboard with you in  
12 terms of pulling this information together and not leaving  
13 anything out or whatnot?

14 A. 100 percent. There was never any question. If he had  
15 any question about a fact, he would raise it either with me  
16 or with the lawyer that he was working with, that lawyer  
17 would raise it with me, and I would get it resolved. But,  
18 no, Cris was 100 percent honest.

19 Q. And as a matter of fact, would it be fair to say you  
20 were impressed with his, I guess his work ethic, his business  
21 acumen, that you actually recommended him for a job, did you  
22 not?

23 A. I did. I did. I had a great number of clients in the  
24 HMO field, and one of them was looking for a new CEO. And  
25 after we concluded the buyouts, I guess it would be the third

1 buyout that I was involved with Cris, I recommended him for  
2 the CEO position, and he was actually interviewed for it.  
3 They were very impressed with him. They loved his knowledge  
4 of the field. But the owner in California wanted to bring in  
5 a person that he had worked with before, and they brought in  
6 a CEO from California.

7 Q. And why were you willing to make such a personal  
8 voucher on behalf of Mr. Cristea to some of your big clients?

9 A. Well, I thought that he had a good amalgam of knowledge  
10 and integrity. Honestly I would have never recommended him  
11 if I didn't think he was 100 percent honest.

12 Q. Now, are you familiar with the charges in this case,  
13 Mr. Gunn?

14 A. I really am not, I'm sorry.

15 Q. Mr. Cristea is accused of fraud, is accused of making  
16 misrepresentations. And his last bond hearing he was accused  
17 of -- there's probable cause found that he had committed a  
18 new crime, which was essentially lying on a loan information  
19 form. Does that surprise you?

20 A. 100 percent, I wouldn't believe that unless you just  
21 told me or we weren't in this setting before Her Honor.

22 Q. Despite knowing that, has your opinion of Mr. Cristea  
23 changed, the fact that he's going through this criminal  
24 proceeding now?

25 A. No. No, I can't -- I'd have to know a lot more about

1 it. And I know sometimes these things get extremely  
2 complicated, and representations that are made are extremely  
3 complicated, so no, that wouldn't change my opinion of Cris  
4 one iota.

5 Q. And just in terms of your dealing with him personally,  
6 you know, as you sit there today and based on your experience  
7 with dealing with him, I think it's the Government's fear is  
8 if he's released out into the community he could commit more  
9 fraud without some other conditions that were in place. What  
10 is your opinion of his danger to the community of him  
11 committing those type of acts?

12 A. Zero. I mean, from what I've known and my direct  
13 relationship with him, et cetera, et cetera, I would not be  
14 concerned at all about that.

15 MR. SISON: I have no further questions, Your Honor.

16 THE COURT: Mr. Muchnick.

17 CROSS-EXAMINATION

18 BY MR. MUCHNICK:

19 Q. When did you say was the last time that you dealt with  
20 Mr. Cristea?

21 A. It had to be several years ago. I've been --  
22 unfortunately I had a bad medical procedure that went wrong  
23 and I haven't practiced law for almost three years, so I  
24 would think that it's four or five years ago.

25 Q. So you never dealt with him while he was in the, say,

1 exploration for minerals business, correct?

2 A. I -- my recollection is that Cris told me that -- wait  
3 a minute, I shouldn't say that. The attorney/client  
4 privilege is still -- I don't want to waive it.

5 I'm aware that Cris was looking into the  
6 possibility, I thought it was copper mines. I referred him  
7 to somebody else at Thompson Coburn since that's not my area  
8 of expertise at all. And to begin with, yeah, I don't think  
9 we represent him. I'm not sure. I don't think we do.

10 Q. Well, so you had -- I'm asking about your personal  
11 knowledge. You had no knowledge of what he may or may not  
12 have done in connection with this business, correct?

13 A. No, I have no knowledge of what he did or didn't do  
14 with respect to mining.

15 Q. Now, you've been involved, I assume, with financing and  
16 things like that?

17 A. Sure.

18 Q. And applications for --

19 A. Yes.

20 Q. -- loans from financial institutions and things like  
21 that?

22 A. Yes, sir.

23 Q. And I assume you've dealt with applications, say, from  
24 requesting loans from banks?

25 A. Sure.

1 Q. Sure. And so you know the procedure that's followed,  
2 correct?

3 A. Yes, sir.

4 Q. And there's usually an application, correct?

5 A. Yes, sir.

6 Q. An application for a loan. And because banks, you  
7 understand, you know are federally insured, correct?

8 A. Correct.

9 Q. So applications for bank loans are made under penalties  
10 of perjury, you are required to tell the truth on those, are  
11 you not?

12 A. Yes, sir.

13 Q. So if there's an application for a bank loan and a  
14 person is asked whether they've ever been audited by the IRS,  
15 are they required to tell whether they've been audited by the  
16 IRS?

17 A. I missed the question.

18 Q. If the application on a bank loan for a bank loan asks  
19 whether the person has ever been audited by the IRS, are they  
20 required to tell the truth as to whether or not they've been  
21 audited by the IRS?

22 A. Of course.

23 Q. And if they don't, is that a false statement on a bank  
24 application?

25 A. Yeah. I mean, it gets a little complicated because the



1 word "audit" is a very broad term in terms of business.

2 So -- but if there had been an actual audit and the taxpayer  
3 knew that there had been the audit and he or she said no, I  
4 was never audited, that would be a misrepresentation.

5 Q. Okay. And if the application for a bank loan asks  
6 whether they are involved in a lawsuit or something like that  
7 and, in fact, they've been indicted at the time, would that  
8 be a false statement?

9 A. Again, "involved in a lawsuit" is different than an  
10 indictment for a crime.

11 Q. Well, here, let me ask the question here.

12 A. I don't know the facts here, sir.

13 Q. It says, "Are you a defendant in any suit or legal  
14 action?" And if at the time that that answer was answered  
15 no, if the person was the subject of a federal criminal  
16 indictment, would that be a false answer to the question,  
17 "Are you a defendant in a legal action?"

18 A. You know, that's not an easy answer. That's not an  
19 easy answer because --

20 Q. What's hard about it?

21 A. Well, part of it is is the defendant in a legal  
22 proceeding or a legal action, I would -- that sounds like a  
23 civil action that they are talking about, so --

24 Q. Well, here, let me ask you this question.

25 A. Yeah.

1 Q. This is a hypothetical question, but you're a lawyer  
2 and you've been a lawyer for a long time. If a client came  
3 to you and said, look, I've been indicted by a federal grand  
4 jury and I'm applying for a bank loan and it asks me the  
5 question, "Are you a defendant in a suit or a legal action,"  
6 How would you ask them to respond to that question? How  
7 would you direct them to answer?

8 A. I would respond by giving the facts of the criminal  
9 indictment.

10 Q. So you would say yes as opposed to no?

11 A. I don't know if I would say yes because I don't know if  
12 the answer to that question is yes. But I would point out  
13 the facts of the criminal indictment.

14 Q. And you understand when you file an application for a  
15 bank loan, you're required to give a financial statement  
16 usually?

17 A. Yes, sir.

18 Q. And if on that financial statement you represent that  
19 you have \$13 million in assets and securities, stocks or  
20 bonds or mutual funds, when that's not true, would that be a  
21 false statement?

22 A. Absolutely.

23 Q. So -- okay. Now, you're familiar with how investments  
24 work, are you not?

25 A. I believe so.

1 Q. Are you familiar with the term, just for lack of a term  
2 of art called a "Ponzi scheme," do you know what that is?

3 A. I do.

4 Q. Okay. Would you consider it a Ponzi scheme if money  
5 from one investor is shown to be transferred to another  
6 investor to pay off another investor?

7 A. Well, that's the general definition of a Ponzi scheme.

8 Q. So that --

9 A. But it's so fact specific. I've seen some very  
10 complicated arrangements that I thought were Ponzi schemes  
11 but weren't or were determined by a court not to be.

12 Q. But if money was deposited into an account by one  
13 investor and was removed from that investor's account and  
14 paid to another investor, would you consider that to be a  
15 Ponzi scheme?

16 A. Just those facts, no, I would not probably consider  
17 that to be. There has to be, as I understand it, for a Ponzi  
18 scheme there has to be an intent to defraud. And just those  
19 facts in and of themselves, I'm not sure that they say to me  
20 that there's an intent to defraud. People quite often use  
21 money that is brought in for one purpose to pay off bills  
22 that they accumulate from other purposes. So the fact that  
23 they do that does not say to me that this is a Ponzi scheme.

24 Q. Okay, that's fine. One final question. If, say, the  
25 person who is running an investment scheme sends

1 correspondence to an investor that reflects amounts held in  
2 various accounts that don't exist, would you consider that to  
3 be fraudulent?

4 A. Yes.

5 MR. MUCHNICK: That's all I have.

6 THE COURT: Any redirect?

7 MR. SISON: Yes, Your Honor.

8 REDIRECT EXAMINATION

9 BY MR. SISON:

10 Q. Mr. Gunn, Mr. Muchnick cross-examined you on -- what I  
11 want to focus on was this notion of disclosures in a loan  
12 information form. And you indicated there was some language  
13 that the U.S. Attorney brought up saying, "Are you currently  
14 a party to any legal action or proceeding?" Is it fair to  
15 say that that phrase could be interpreted by a reasonable  
16 person to be a legal, a civil legal action as opposed to a  
17 criminal legal action?

18 A. It does to me.

19 Q. Now, the lawyer in us would obviously counsel a client  
20 to be conservative and say, well, I would probably interpret  
21 that, but you would agree --

22 A. I would explain it because you're better off to explain  
23 than we are to seek forgiveness.

24 Q. Right. But the point is at least based on what you  
25 heard from Mr. Muchnick, it would be a reasonable

1 interpretation to look at that as just participation in a  
2 civil proceeding?

3 A. That's the way I interpreted it when I heard it, so  
4 yes.

5 Q. And a lot of these -- let's step back for a minute.  
6 Just making a wrong representation on a bank form isn't  
7 sufficient to be criminal, there has to be some intent,  
8 correct?

9 A. Isn't sufficient to what?

10 Q. Just because you make a wrong statement on a bank form,  
11 a financial form, doesn't necessarily make it criminal,  
12 doesn't there have to be intent?

13 A. Sure.

14 Q. Okay. And just for example, you noted the notion about  
15 the audit, the IRS audits, and how that could be as you noted  
16 it was broad, it could be interpreted broadly, correct?

17 A. Correct.

18 Q. So without knowing what the other side is going to say,  
19 the defendant is going to say as to why they put something  
20 here, there, or why they made that representation, can you  
21 conclude that it was a criminal act?

22 A. No.

23 Q. Okay. And the same thing with the 13 million in  
24 securities that was purported to be a misrepresentation. I  
25 think the testimony at the hearing was the government

1 couldn't find any evidence of that, any evidence of  
2 securities like that in the account. But would you be  
3 comfortable coming to the conclusion that a criminal act has  
4 been committed without hearing from the other side as to why  
5 they put that \$13 million down?

6 A. No, I'd have to know all the facts.

7 Q. Okay. Now, you talked about -- Mr. Muchnick had talked  
8 to you about Ponzi schemes, and generally the definition is  
9 paying off one investor from the funds of another investor;  
10 is that correct?

11 A. With the intent to defraud the first investor.

12 Q. But you actually noted that there were certain  
13 situations where money was being used, taken in for one  
14 purpose and used for another purpose. Is that correct?

15 A. It happens every day, people take money in and they use  
16 it to pay their debts.

17 Q. Right. And that doesn't necessarily make it criminal,  
18 does it?

19 A. Of course not.

20 Q. Are you familiar with the term of a "cooperative"?

21 A. Sure.

22 Q. What in your mind is a "cooperative"?

23 A. Well, a cooperative is where more than one person  
24 invests with the idea that the entirety of the people who  
25 invested are the owners.

1 Q. Okay. So technically you could have a situation where  
2 Investor A puts money into a cooperative fund, which my  
3 understanding is a pooling of funds; is that correct?

4 A. Is a what?

5 Q. A pooling of funds?

6 A. A pooling of funds, sure.

7 Q. And technically Investor A could put in money to this  
8 co-op, but then Investor C could actually take it out or  
9 potentially take it out under certain circumstances?

10 A. It depends on what the cooperative agreement says.

11 Q. Correct. But that's your understanding of what a  
12 cooperative could potentially do?

13 A. Of course.

14 Q. Okay. And without knowing whether or not this  
15 investment was a cooperative or not, are you comfortable  
16 making some sort of determination as to whether or not it's  
17 fraudulent?

18 A. No.

19 Q. And despite all that you've heard from Mr. Muchnick  
20 today, does it change your opinion as to whether or not you  
21 believe Mr. Cristea is a danger to the community?

22 A. No, it doesn't change my opinion a bit.

23 MR. SISON: That's all I have, Your Honor.

24 THE COURT: Thank you. You may step down.

25 THE WITNESS: Thank you, Your Honor.

1 THE COURT: Please call your next witness.

2 MR. SISON: Defense would call Mr. Steve Koeneman.

3 STEPHEN KOENEMAN,

4 Having been first duly sworn, was examined and testified as  
5 follows:

6 DIRECT EXAMINATION

7 BY MR. SISON:

8 Q. Would you please state your name for the record.

9 A. Stephen Koeneman.

10 Q. And, Mr. Koeneman, what is your occupation?

11 A. Currently I am a retired minister, but I work as a  
12 community service officer for the City of St. Peters.

13 Q. Okay. And what do you do for the City of St. Peters?

14 A. We provide security for the mayor and board of aldermen  
15 at the aldermen's meeting. I am a bailiff for the judge at  
16 municipal court. And we provide security to the City  
17 sporting events.

18 Q. Mr. Koeneman, do you know the Defendant, Mr. Cristopher  
19 Cristea?

20 A. I sure do.

21 Q. And could you tell the Court how you know him?

22 A. I first met him 15 years ago when he and his family  
23 were looking for a church and actually a school. And we had  
24 a church and a school, and that's how we made our first  
25 connection.



1 Q. And what was the name of the school and the church?

2 A. Willott Road Community Church and Christian Academy.

3 Q. And can you describe the nature of your relationship  
4 today with Mr. Cristea?

5 A. We're friends.

6 Q. And how would you describe that friendship?

7 A. It's the closest friendship I have other than my wife  
8 and family. We're good friends. We work together, have the  
9 same dreams and aspirations, and it drew us together.

10 Q. As a matter of fact you were -- you visited -- he is  
11 currently being incarcerated in Lincoln County Jail. Have  
12 you had occasion to visit him there?

13 A. Yes.

14 Q. And what was the nature of your visits with  
15 Mr. Cristea?

16 A. Just to offer moral support and, you know, show  
17 interest in him, try to encourage him.

18 Q. Okay. And has it been difficult for him there?

19 A. I'm sure it has, but Cris is a strong man and he seems  
20 to face every situation with pretty much the same hope and  
21 determination to make something good out of it.

22 Q. Now, Mr. Koeneman, when you knew him, how involved was  
23 he in church activities?

24 A. Extremely involved. He was a part of the day-to-day  
25 operations, served in many volunteer positions in the church

1 and school. And he -- I think his last bit of service was he  
2 served as our treasurer and a trustee of the church.

3 Q. Was he also involved in the building committee?

4 A. Yes, very much. He was president of the building  
5 committee.

6 Q. And what was the purpose of the building committee?

7 A. We purchased 36 acres. We were going to relocate. We  
8 only had four acres where we were at. We were out of room,  
9 and the school and church were growing and so we purchased  
10 36 acres with the hope of relocating there and expanding.

11 Q. And did he ever have occasion to help the church out  
12 when it was in financial need?

13 A. Yes.

14 Q. And can you give us some circumstances of when that  
15 might have happened?

16 A. Yeah, there's at least two, maybe three occasions when  
17 we had a capital campaign, I believe it was around  
18 \$30 million was committed. There were a couple of large  
19 donors. Unfortunately at the same time that giving began the  
20 land was purchased and the financial crunch hit and some of  
21 those funds that those contributors were expecting were  
22 delayed. So we were struggling, and our school enrollment  
23 was down. We were struggling to make the mortgage payments  
24 on the land that we bought. And the bank was working with  
25 us, but it had gotten to a point where they were pressured,

1 and so we needed to make some payments that were not  
2 available. And Cris stepped in and wrote some large checks  
3 to help get us through from month to month.

4 Q. Okay. And did he do also I guess other smaller things  
5 for the church and its parishioners?

6 A. Extremely, yeah. He led our worship team. He really  
7 was involved in almost every facet. It was kind of whatever  
8 needed to be done, Cris was always there. And at our school  
9 he came and volunteered to work with the kids in some  
10 athletic programs. He worked in our sound. He was extremely  
11 involved.

12 Q. So he was not just involved with church leadership, he  
13 was involved with a lot of members of the church body as  
14 well?

15 A. Absolutely, yeah.

16 Q. And how was he perceived, his reputation among church  
17 going members when you were pastor there?

18 A. He was well loved and admired by most, yeah. Cris had  
19 a very positive attitude. He was always there to help. He  
20 was extremely generous in helping people in our church who  
21 had need, and he did it anonymously most of the time. He  
22 didn't want anybody to know where it came from.

23 Q. Can you give an example of an anonymous aid or help  
24 that he gave to the church?

25 A. Sure. To a family?

1 Q. Or just to the church or families, yes.

2 A. To both, there's many. I know one family that he  
3 helped pay their tuition. He paid off their credit cards.  
4 He provided plastic surgery for people who needed assistance  
5 there. It wasn't unusual for him during the holidays,  
6 especially at Christmas, he or his wife to hand me a pack of  
7 \$100 gift cards to Wal-Mart and say, "Give them out to people  
8 who you feel they need them, but I don't want them to know it  
9 came from me."

10 Q. Now, it's my understanding in reading through some of  
11 the discovery that there might have been some I guess  
12 dissatisfaction when Cris served as the treasurer or the  
13 trustee from some members of the church. Can you sort of  
14 explain that as best that you can?

15 A. Sure. There was one occasion on the -- I think it was  
16 the last time that Cris bailed us out again, we were sitting  
17 in my office with the bank president or vice president, I  
18 believe at the time, my administrator, myself, and Cris.  
19 Because Cris had not been involved with us through all those  
20 negotiations, the loans for the land and the whole process.  
21 And we needed to make a payment, which we did not have the  
22 resources to make at that time. And so Cris wrote a check  
23 out, I want to say it was for \$25,000. And I said, "Oh,  
24 Cris, you don't have to do that, you know, it's not on  
25 your shoulders alone." And he said, "Well, there's not

1 really anybody else at this point who can do that," so he  
2 wrote out that check. And I said, "Well, I want you to know  
3 this is a loan and we will pay you back every penny of that  
4 loan."

5 I believe that was in the spring, I want to say  
6 February or March. It was probably -- and we were not able  
7 to make -- we were still struggling, we were not able to pay  
8 him back at all.

9 Q. So what was the nature of some members being upset with  
10 that?

11 A. He was -- I think it was around September or October.  
12 His children attended our school. His tuition was due.  
13 While in talking with our financial secretary, he told her  
14 just to transfer the funds from that loan to his tuition and  
15 basically that would be part of his repayment. And so she  
16 did that. I guess she was uncomfortable, she went to the  
17 administrator and said she was uncomfortable, and he came to  
18 me. And I said, "I don't really have a problem with that."  
19 The process wasn't the best, but we have a trustee's meeting  
20 every month, we get a complete report of every dime that  
21 comes in and goes out. And at that trustee's meeting we'll  
22 tell them what's happened and get their approval.

23 And I believe the meeting was like a week, week and  
24 a half later. We did tell them what happened, and they  
25 agreed that was not a problem. And that was the only

1 occasion where there was any concern at all. And I really  
2 believe that that was -- the motivation for the  
3 administrator's discomfort with that was because he was  
4 jealous of Cris and his abilities and I think his standing in  
5 the church.

6 THE COURT: Excuse me, Mr. Sison, I'm having a  
7 little trouble figuring out where all of this is going and  
8 how this testimony is going to be helpful to the issues that  
9 I have to decide.

10 MR. SISON: Well, Judge, it just goes to his  
11 character. And I know that this was out there, I'm trying to  
12 front up what I think is going to be the cross-examination of  
13 this witness. But basically Mr. Koeneman served as a  
14 character witness. I'm almost done actually.

15 THE COURT: Well, you know, I don't think there is  
16 any reason to doubt that the witnesses that you call are  
17 going to be able to testify to Mr. Cristea's character and  
18 the positive and beneficial things that he has done in his  
19 career and in his community. I just don't know that that is  
20 going to be helpful to me in making my decision.

21 MR. SISON: Well, Judge, I would simply put it out  
22 there as this is what he's done in the past, this is a  
23 representation of what he's done in the past, and, therefore,  
24 can -- his involvement in the community, his involvement in  
25 the church, his extensive involvement is an indicator that he

1 does not present that danger to the community, and so that's  
2 sort of what this evidence is designed to show.

3 THE COURT: Okay. All right. Well, if you've got  
4 one or two more questions, that's fine.

5 MR. SISON: Sure.

6 THE COURT: Otherwise, open it up to Mr. Muchnick.

7 BY MR. SISON:

8 Q. Mr. Koeneman, just one final question. Knowing --  
9 you're a pastor, correct?

10 A. Correct.

11 Q. You've had the occasion to deal with many different  
12 types of people, many different personalities?

13 A. Correct.

14 Q. You have to be a judge of that personality?

15 A. Correct.

16 Q. And a judge of that character, would that be fair to  
17 say?

18 A. Yes, sir.

19 Q. You've heard all the evidence here of the prior  
20 witness. Having heard that about the allegations against  
21 him, does that change your opinion whether you'll believe  
22 he'll be a danger to the community?

23 A. No, not one iota.

24 MR. SISON: That's all I have, Your Honor.

25 THE COURT: Mr. Muchnick.

CROSS-EXAMINATION

BY MR. MUCHNICK:

Q. What was the time period which this was going on? You said February, March. February, March of this year?

A. Oh, no, sir, it probably would have been 2010.

Q. 2010?

A. Yes, sir.

Q. Okay. Would it change your opinion about Mr. Cristea if you knew that the money that he gave to the church came from investors in mineral exploration and mining activity who he didn't pay back, would that change your opinion of him?

A. I'm not aware of those facts.

Q. But if you knew that, if you knew that, would that change your opinion?

A. No.

Q. It wouldn't?

A. I'd be disappointed, but no, it wouldn't change my opinion.

Q. That the money that he was paying to the church came from investors who were investing in a business who, for lack of a better word, got stiffed, that wouldn't change your opinion?

A. No. No, I know Mr. Cristea to be a good man, the most generous man I've ever known.

MR. MUCHNICK: Thank you.



1 MR. SISON: Nothing further for this witness.

2 THE COURT: You may step down. Thank you.

3 THE WITNESS: Thank you.

4 MR. SISON: Given the Judge's direction, I'm just  
5 going to forego calling Mr. Carter, and I will call as a  
6 final witness Ms. Christy Cristea.

7 THE COURT: All right.

8 MR. SISON: May I proceed, Your Honor?

9 CHRISTINA R. CRISTEA,  
10 Having been first duly sworn, was examined and testified as  
11 follows:

12 DIRECT EXAMINATION

13 BY MR. SISON:

14 Q. Would you please state your name for the record.

15 A. Christina R. Cristea, C-r-i-s-t-e-a.

16 Q. And, Ms. Cristea, what is your current occupation?

17 A. I'm a mother and wife, and I cater.

18 Q. And, Ms. Cristea, can you please describe the nature of  
19 your relationship with the Defendant, Mr. Cristea?

20 A. He's my husband of almost 19 years, my best friend, and  
21 the father of all my children and my partner in every way.

22 Q. Okay. And how many children do you have?

23 A. We have four.

24 Q. And what are the ages and names?

25 A. Alexandre is our oldest son. He's almost 18 years old

1 and a senior in high school. We have Andrew, who is our  
2 second son. He will be 15 in December and he is just  
3 graduating from eighth grade. We have a third son, Aiden,  
4 who just turned ten on March 25th of this year. And our  
5 daughter Abigail is eight and a half years old.

6 Q. And just briefly for the record, you know, because I  
7 think we know what you're going to say, but can you describe  
8 briefly, as briefly as you can what his qualities as a  
9 husband are?

10 A. Cris is the kindest man I've ever known in my life. We  
11 have an extraordinary marriage. He is just -- I mean, he's  
12 gentle, he's patient. He just -- you know, he's the kind of  
13 husband that just a day never goes by where he doesn't hug me  
14 or kiss me or assure me that I'm the love of his life. He's  
15 very attentive. I just -- I mean, we just have a wonderful  
16 marriage. It's just extraordinary.

17 Q. Would you also describe -- how would you describe him  
18 as a father to your children?

19 A. They are just -- he's involved in every aspect of their  
20 lives. He is an educator and he's passionate. He loves on  
21 them and takes them places. He coaches their sports teams.  
22 He tutors algebra. He keeps score at basketball games and  
23 reads for Scholar Bowl. He takes them to and from school.  
24 I'm not really a morning person so he's very willing and able  
25 to get them up in the morning and help with breakfast and

1 find uniforms, put air in soccer balls. It seems with three  
2 sons that's always an issue. He just -- I mean, he  
3 participates in every single way and always has from the  
4 moment they've been born.

5 Q. Now, Ms. Cristea, you understand why Cristopher has  
6 been -- how long has Cristopher been incarcerated for?

7 A. I believe 84 days today.

8 Q. So almost three months?

9 A. Yes.

10 Q. And do you understand why he's being incarcerated?

11 A. I understand what he's being accused of.

12 Q. Well, one of them was not following the conditions of  
13 release, and the other one was that there was probable cause  
14 to commit a crime -- that he committed a crime while on bond,  
15 on release. And so the ultimate question the Court has to  
16 answer is are there any conditions that could be imposed that  
17 could reasonably assure the safety of the community. Did we  
18 discuss some of those proposed conditions that we were going  
19 to propose to the Court today?

20 A. We did discuss some. But I don't -- I don't consider  
21 Cris a danger to the community. He's just -- he's a  
22 wonderful man.

23 Q. And that's -- and I get that. But the government has a  
24 viewpoint too that has to be addressed.

25 A. Absolutely.

1 Q. And that's what we're trying to do. The first thing --  
2 well, first of all, what role did you play in the  
3 satisfaction of his conditions prior to his arrest?

4 A. Unfortunately I didn't, and that is my failing. I  
5 never read the bond revocation -- please excuse me if that's  
6 wrong, but the --

7 Q. The conditions of release?

8 A. The conditions of release, yes. And I should have.  
9 I'm very unfamiliar with legal practices. And as I  
10 mentioned, we're very close and that is my failing. And I  
11 should have been more educated so that I could support him  
12 and ask questions.

13 Q. But you were around whenever -- there were certain of  
14 the conditions of release you were privy to. For example, do  
15 you recall when he was required to remove all weapons from  
16 his house?

17 A. Yes, I do.

18 Q. Okay. And did he do that?

19 A. He did that the afternoon when he came home, yes, on  
20 October 3rd.

21 Q. Do you recall also whether he was ordered to turn over  
22 his passport?

23 A. Yes, I do.

24 Q. And what do you recall happening with that?

25 A. I believe that it was actually with him. He keeps it

1 in his work backpack, and it was with him the day of his  
2 arrest, and my understanding is he turned it in at that time.  
3 That could have happened within the next couple of days, but  
4 I believe he did actually turn it over at that time.

5 Q. And the results -- so there was also I guess for lack  
6 of a better term, a question of whenever -- did he ever call  
7 his pretrial officer when he wanted to go somewhere?

8 A. Yes, he did, he spoke with his pretrial officer every  
9 Tuesday during this time.

10 Q. Okay. Do you remember a specific instance where he  
11 asked for permission to go somewhere outside of the greater  
12 St. Louis metropolitan area?

13 A. Not out of the St. Louis area that I'm aware. I know  
14 he asked permission to go to our son's college in Rolla.

15 Q. Which is outside of the --

16 A. I didn't know that. I apologize. Yes, to go on a  
17 college visit to Rolla.

18 Q. And do you know whether he was required to ask for  
19 permission to go to Rolla?

20 A. My understanding was that he needed to notify them.

21 Q. And he did that?

22 A. And he did, yes.

23 Q. There was also a situation with an outstanding warrant,  
24 a traffic warrant. Do you recall that?

25 A. I recall him mentioning it to me. I vaguely remember

1 when he got the note about that that he kind of seemed  
2 perplexed. He wasn't aware that it was out there. That is  
3 definitely not something that we would have let just slide  
4 by.

5 Q. And did he do -- what did he do to fix it?

6 A. He contacted his attorney and asked what needed to be  
7 done to resolve this issue. I think with the current  
8 circumstances he wanted to make sure that was handled  
9 appropriately.

10 Q. And then there was an issue, obviously the last hearing  
11 there was an issue of third-party notification, who he was  
12 required to notify and he was not required to notify. Were  
13 you ever privy to any of his conversations between  
14 Mr. Cristea and his pretrial officer?

15 A. Yes, I was.

16 Q. And what was your understanding of the nature of his  
17 third-party notification?

18 A. I know that Cris asked Ms. Janes several times what  
19 exactly was meant by notification and who he had to notify,  
20 if it was people with the current indictment or current  
21 businesses. And the way that I understood it was that he  
22 needed to notify any new investors or people that he was  
23 soliciting funds from, I think. And I do know that he hadn't  
24 done that. There were a multitude of people in our life,  
25 just because of the nature of business it involves family and

1 friends that knew about the indictment anyway.

2 Q. So at the hearing there was evidence of a wire transfer  
3 coming in on the day that he was arrested. So would that be  
4 considered a new investor as far as you're concerned?

5 A. No, I actually know that it was not. That was  
6 unfortunate timing. First of all, the uncle to which that  
7 money is referred is not an investor. He's a participant in  
8 the cooperative for our Charis -- it's not Charis Mining --  
9 well, the Charis Cooperative -- excuse me -- in Africa. And  
10 he's not new because he has done business with Cris before.  
11 It was successful. He moved money and Cris was able to flip  
12 it -- excuse me, flip it and make a profit for him. I can't  
13 speak to those numbers, but I know that he was thrilled.

14 And I know that he called Cris, I don't know the  
15 exact time, but I heard him talking about it a good month or  
16 two, maybe over the summer prior to October about doing that  
17 again for him.

18 Q. Prior to being arrested?

19 A. Oh, yes, months before.

20 Q. Prior to the indictment being issued?

21 A. Yes, sir. And -- oh, I'm sorry.

22 Q. And the other one was there's no other evidence of a --  
23 I think it was Suzanne Hooper, is that correct, that had  
24 given money post, like in November?

25 A. Uh-huh.

1 Q. How would you characterize that relationship as a  
2 potential new investor?

3 A. That was not investment money. We've known Suzanne --  
4 well, I don't know how long Cris has known Suzanne, I believe  
5 since he was a teenager, but I have known Suzanne since  
6 before we got married. She has been a dear family friend and  
7 in our life always. She helped plan our wedding and she's  
8 babysat my kids. And she is aware of what we're going  
9 through and that it has caused hardships, and she offered  
10 that as a gift to help us, I mean, with just expenses.

11 THE COURT: I'm sorry, Mr. Sison. I'm not sure I  
12 know what the witness is testifying about. Who is Suzanne?

13 MR. MUCHNICK: Your Honor, I think we've got a  
14 problem here in that Miss Hooper is not somebody who was the  
15 subject of the hearing before Judge Collins. That investment  
16 was not one of the ones that was discussed at that hearing.  
17 It's a completely different matter.

18 MR. SISON: I apologize, Judge. I'll move on.

19 THE COURT: Okay.

20 BY MR. SISON:

21 Q. Well, Christina, we're here to figure out whether there  
22 are any conditions that could be imposed that could  
23 reasonably assure the safety of the community. Because the  
24 Government's position is this, the allegations against  
25 Mr. Cristea is that he committed fraud and that he's made



1 misrepresentations and that he's committed an offense,  
2 probable cause that he's committed an offense while on bond.  
3 So to assure this Judge that there are reasonable conditions  
4 that could be imposed, one of the things that we propose that  
5 he be subjected to electronic monitoring and home detention.  
6 Is that something that you would be opposed to?

7 A. I would not.

8 Q. The other matter that we would be willing to do is have  
9 third-party custodians that would essentially act as risk  
10 takers for Mr. Cristea. One of those risk takers is your  
11 father-in-law; is that correct?

12 A. Yes.

13 Q. And he was willing to testify -- what was he willing to  
14 do to act as third-party custodian?

15 A. Well, when you said father-in-law, I believe you mean  
16 Andy Carter.

17 Q. Yes, Andy Carter.

18 A. And he would be my stepfather.

19 Q. Yes. And what is your understanding of what he's  
20 willing to do to vouch for Mr. Cristea?

21 A. My understanding is he's willing to pose the equity in  
22 his homes.

23 Q. Okay. And he has multiple homes?

24 A. Two.

25 Q. Two homes, okay. And he's willing to do this despite

1 the fact that, you know, he's already been found to have  
2 violated the conditions of release before, and that if he  
3 violates it again, he potentially could have the government  
4 be a lienholder on his property?

5 A. Yes, sir, he is. He's not concerned about Cris.

6 Q. Okay. The other thing that we have done is that we  
7 have asked that he be prohibited from incurring new credit  
8 charges, opening additional lines of credit, and/or applying  
9 for any loan without the written permission of the Pretrial  
10 Services Office. Is this something you're willing to police  
11 and make sure this doesn't happen?

12 A. Absolutely.

13 Q. The fourth matter is the Defendant shall not create,  
14 operate, manage or participate in the creation, operation, or  
15 management of any business entity or venture including a  
16 family business, without the written permission of the  
17 Pretrial Services Office. It's my understanding that  
18 Mr. Cristea earns money through some of his businesses. Are  
19 you willing to subject yourself to that restriction?

20 A. Yes, sir.

21 Q. The other one is that the Defendant shall divest  
22 himself of operation and control of any business entity  
23 and/or venture of which he is currently involved and transfer  
24 such operation and control to a third party. And, again, if  
25 he transfers control and operation to a third party who has

1 nothing to do with it, you're not going to be receiving any  
2 income from those businesses. But you're okay with that?

3 A. I am.

4 Q. The other one is that the Defendant shall subject  
5 his -- apparently there's concern that he might contact  
6 investors or he might contact witnesses. One of the things  
7 we propose, which is we think rather extreme but we think is  
8 necessary or potentially necessary is that he subjects any  
9 phone in the household to a pen trace or any type of  
10 monitoring device so that way the government would know who  
11 he's calling, who is contacting him, et cetera, et cetera, et  
12 cetera. Are you prepared to deal with that condition?

13 A. If that's a necessary condition for me to have him,  
14 absolutely.

15 Q. And the last two conditions I think deal with  
16 notification of third parties. We are proposing that within  
17 72 hours of release the Defendant shall provide a list of all  
18 persons and/or entities which the Defendant has done business  
19 with over the past year to the Pretrial Services Office. Are  
20 you willing to work with Cris to make sure there's a full and  
21 complete and accurate list?

22 A. I am.

23 Q. Okay. And then secondly, that within one week of  
24 providing that information to the Pretrial Services Office,  
25 the Defendant shall submit the documented proof to the

1 Pretrial Services Office that all such persons and/or  
2 businesses with whom the Defendant has done business with  
3 over that past year are informed of the instant indictment.  
4 Are you prepared to make sure that that condition is  
5 satisfied?

6 A. I am prepared and I assure you it will be done.

7 Q. And then the last one was a throwaway, that any other  
8 condition that the Court in its judgment and wisdom chooses  
9 to impose, no matter how draconian or how seemingly draconian  
10 it might be, are you willing to accept that condition as  
11 well?

12 A. I am.

13 Q. I want to go back to if he divests himself of  
14 businesses. Is there anyone ready and waiting to take over  
15 that business or at least operational control of that  
16 business if the Court deems it prudent to order his release?

17 A. Yes, there is.

18 Q. Who is that?

19 A. His father, R.L. Cristea.

20 Q. Okay. And who is -- can you tell me, did you know  
21 anything about the business background or the expertise of  
22 Mr. Cristea to handle these type of businesses?

23 A. I do actually. The first time I met him he came to the  
24 door in a suit, and he's -- he made quite a presence. He  
25 worked for many, many years. I don't know the -- and I

1 apologize, please accept my apology. I don't know all the  
2 names of the companies that he worked for, but he ran a  
3 multitude of companies all over the United States everywhere,  
4 traveled several times, transferred. He was CEO, president,  
5 held many titles. He's an extraordinary businessman. He is  
6 very well respected, well known in the industry. His resume  
7 is something to behold.

8 Q. Which I have, and I'll submit it for the Court's  
9 consideration.

10 And, Ms. Cristea, what about the fear that he might  
11 just be a rubber stamp for Cris?

12 A. There's no fear in that.

13 Q. Why do you say that?

14 A. Because I know my father-in-law. He loves Cris too  
15 much, first of all. But second of all, I have never watched  
16 him make a business decision based on somebody else's  
17 decision or desire. I've seen him many times say, well, that  
18 might be what you think, but that's not what I will do.

19 Q. So he could turn out -- so you really truly believe  
20 that even if it was to Cris's detriment, he would do what's  
21 right for the business?

22 A. He absolutely will.

23 Q. I mean, conceivably this person could turn out to be  
24 the Government's star witness. Because what he if turns out  
25 and manages all of these companies and finds that it is

1 indeed a fraud as the government so alleges? My guess is the  
2 Government would be the first person he calls to the stand.  
3 Despite that do you still think that knowing that's his son,  
4 he would still do what's right for the company?

5 A. I absolutely know he'll do what's right for the  
6 country -- excuse me, for the company. And I don't believe  
7 that that's what will happen, so --

8 Q. Well, the other concern too obviously, Ms. Cristea, is  
9 that obviously if he's divesting himself of all these  
10 businesses, as a matter of fact there was another condition  
11 that we had requested, was that he -- that he divest himself  
12 of control and authority over any financial accounts both  
13 personal and business over which he currently has control and  
14 guardian. In other words, he couldn't even run your own  
15 checking account.

16 A. Yes.

17 Q. Are you prepared to handle the finances where basically  
18 he can't even write a check without your permission?

19 A. I'm both willing and able. I actually run the  
20 household accounts currently. I just had nothing to do with  
21 the businesses. I am prepared to take his name off of every  
22 single checking account or anything where he has signatory  
23 authority, and I can manage all of that just fine.

24 Q. Okay. And the last thing is if he's divesting himself  
25 of control of all these businesses then how is he going to

1 get income?

2 A. He's been offered a job by a business associate, Mr. --

3 Q. By Brian Wandersee?

4 A. Brian Wandersee, W-a-n-d-e-r-s-e-e.

5 Q. And what's your understanding of what he will be doing  
6 with Mr. Wandersee?

7 A. To be honest I am not wholly familiar with the position  
8 he's been offered, but I believe that Mr. Wandersee has  
9 outlined that for you.

10 Q. And so -- but in any event, if he's released he does  
11 have a job that he can go to that's not involving any of  
12 these businesses that he might be involved with that might to  
13 the Government's contention be fraudulent or not, he actually  
14 has a job?

15 A. Yes, he does.

16 Q. And can you tell me, you know, what kind of income are  
17 you earning with respect to your cater job?

18 A. Well, it is very new. I have been catering for 15  
19 years, and actually longer than that because that's my  
20 background and my job ever since I was a child. But it's  
21 been an extraordinary passion of mine. And I've done it for  
22 ministry because it hasn't been necessary as a source of  
23 income. At this time I'm stepping out in faith. I've been  
24 promoting my business. I have quite a few people that I have  
25 cooked for and served over the years that are willing to be

1 references for me. And I will work as many hours and as much  
2 as it takes to be a success for this so that I can support my  
3 children and my family through this process.

4 Q. Okay. And you understand that -- as it currently  
5 stands now is your salary sufficient to maintain or support  
6 your family as it currently stands?

7 A. No, it is not.

8 Q. And just to briefly wrap up. Could you sort of  
9 describe some of the difficulties you've had, start with  
10 finances since Mr. Cristea has been incarcerated.

11 A. Well, we've basically had no income at all. Every  
12 dollar that I have received to date has been from both sets  
13 of my parents, both Cris's parents and my own. They are  
14 incredible, wholly in support and aware of the situation.  
15 And without them I honestly don't know what I would have  
16 done.

17 Q. What about difficulties with I guess the normal daily  
18 activities of child rearing, so to speak?

19 A. Well, as I mentioned, my four kids, they all go to  
20 private school, so we do not have bus transportation. My  
21 father-in-law has taken on the role of loading the kids in  
22 the car and dropping them off every single morning. And I  
23 generally do afternoon pickup. They have been just tireless  
24 in helping with baseball and batting practices, golf  
25 tournaments, violin concerts. With four kids in private



1 school, it really is endless. Every one of my children are  
2 in at least three events, so that's about 12 things a week,  
3 and there aren't that many nights. So we walk in the door  
4 every day and divide tasks.

5 Q. And you understand that if Mr. Cristea is subject to  
6 home detention, the bulk of that would still fall on you  
7 because I guess my understanding is that pretrial will only  
8 allow him to either, A, see his attorneys, see his -- get out  
9 for religious services or medical conditions, and/or to work.  
10 So you understand that that burden will still fall on you if  
11 he's released?

12 A. Yes, I do. And I'm prepared to do whatever I need to  
13 do to make that work. I also have a very dear and close  
14 network of friends that I feel I will be able to draw on and  
15 get support from. And I'm confident that we'll just make it  
16 work.

17 Q. And in Cris's absence, what about the kids' scholastic  
18 activities or grades, so to speak, how has that impacted?

19 A. Well, my middle son, my eighth grader, is our most  
20 sensitive child. And he's very, very smart, but he hasn't  
21 completely figured out what to do with that yet. And he's in  
22 an advanced -- well, I mean, it's a very -- it's an algebra  
23 course that is advanced, and that is not my strength at all.  
24 Cris is his tutor. He goes over his homework every night.  
25 And his grades are really -- they've gone down tremendously.

1 That can't change, it's not good.

2 Q. Obviously I take it since he's been incarcerated he's  
3 missed various family activities --

4 A. Yes.

5 Q. -- I understand; is that correct?

6 A. Yes, that's correct.

7 Q. Let me ask you this, Ms. Cristea, if the Court orders  
8 his release subject to these conditions that we propose,  
9 subject to any other additional conditions that the Court  
10 might impose to satisfy and reasonably assure the safety of  
11 the community, what makes you think this will be different?  
12 I mean, you had the option last time to enforce it, but why  
13 should the Court take reasonable comfort in your assertion  
14 that you're going to make sure that he dots his Is and  
15 crosses his Ts this time?

16 A. Well, as I mentioned, my failing was in not being  
17 completely aware. I wasn't. And I didn't try, and that was  
18 wrong. I didn't realize the seriousness of this, and I  
19 didn't involve myself -- excuse me. But I am very aware now.  
20 And I will make it a point to know absolutely every detail of  
21 restriction, anything that he is asked to do, and I will be  
22 100 percent in support of that. I will make sure that it is  
23 taken care of in every way. This time if I have a question,  
24 I assure you it will be asked before there is a worry that  
25 something could be misunderstood or not followed through.

1 But he's never been gone before. In the 19 years  
2 that we've been together he's been present at everything.  
3 He's just that kind of involved man and father. And this  
4 reality that I have lived the last 84 days without him has  
5 just been unbearable, and I want him back.

6 Q. So I take it then that you have every incentive to make  
7 sure he complies because that's the only way he's going to  
8 stay out?

9 A. Absolutely, every incentive.

10 Q. And you understand that if the Judge does order his  
11 release, he's going to be subject to extreme scrutiny, I  
12 mean, not only from the courts, but probably from the FBI  
13 agents who are investigating. So they are probably going to  
14 be looking at him -- in other words, he's going to be  
15 subject, for lack of a better term, subject to a vice grip.  
16 Is that something you're willing to undergo and something  
17 you're willing to live through?

18 A. As far as I'm concerned it isn't a choice, I'm not only  
19 willing and able but I'm ready. Whatever is asked, I will  
20 do.

21 Q. I mean, is your family ready to undergo this and  
22 subject themselves to this type of scrutiny, not just your  
23 immediate family but your extended family, your friends to  
24 make sure that he doesn't commit offenses so that he  
25 basically abides by the conditions of release?

1 A. I believe that they are, yes.

2 Q. Okay.

3 MR. SISON: I think that's all I have, Your Honor.

4 THE COURT: Mr. Muchnick.

5 MR. MUCHNICK: One moment.

6 (There was a conference held off the record.)

7 MR. MUCHNICK: I have no questions.

8 THE COURT: Okay. Thank you. You may step down.

9 MR. SISON: And, Judge, the only thing I have to  
10 close out the hearing is just for the Court's considerations,  
11 which would be -- and I've given these exhibits to the  
12 Government. It's Exhibit A, the Defendant's Proposed  
13 Conditions of Release. Exhibit B, a letter from R.L.  
14 Cristea, who is the grandfather -- the father of Mr. Cristea,  
15 who is the third-party person who would be willing to take  
16 control of his businesses. I've also attached his resume,  
17 which I don't think I gave you a copy of, Steve. This is the  
18 one that I've attached, but you can look at it real quick.  
19 And then the third one is Exhibit C, Your Honor, which is the  
20 letter from Brian Wandersee detailing the job that he would  
21 have if he's released, the nature of that job, where it would  
22 be, the fact that -- the salary of that job, the hours, and  
23 the nature of it, to reassure the Court that he won't be able  
24 to be conducting outside extraneous business while he has  
25 that job. So I would submit these Exhibits A through C.

1 THE COURT: There's no objection, is there?

2 MR. MUCHNICK: No, Your Honor.

3 THE COURT: For purposes of this hearing?

4 MR. MUCHNICK: No, Your Honor. I have a copy of the  
5 initial appearance. I just requested it, just received it a  
6 couple days ago. The initial appearance before Judge Collins  
7 where she went over with him the third-party notification.  
8 I'd just like to submit that to the Court as well. It hasn't  
9 been filed.

10 THE COURT: All right. I'll receive that as well.  
11 Thank you.

12 MR. SISON: And, Your Honor, that's all we have by  
13 way of evidence. The only thing I would do is brief  
14 argument, if it pleases the Court.

15 THE COURT: Well, are you going to tell me anything  
16 that's not in your motion?

17 MR. SISON: No, Judge, I don't think so.

18 THE COURT: All right. Then you've got it all in  
19 writing.

20 And the Government doesn't have any testimony; is  
21 that right?

22 MR. MUCHNICK: We have no further testimony, just a  
23 couple things that I would like to add. But you can take  
24 it --

25 THE COURT: If I'm going to let you speak, I'll let

1 Mr. Sison speak too. I have to listen to both of you. Go  
2 ahead.

3 MR. MUCHNICK: Okay. I'll be very brief. When I  
4 read Mr. Sison's motion, I was looking for evidence that the  
5 matters that were discussed at the hearing, I was looking for  
6 somewhere in there that they said these matters did not  
7 constitute criminal behavior, and that wasn't stated in  
8 there. Apparently there's an acknowledgment in that motion,  
9 and I don't think that was an oversight that the matters the  
10 Government brought before Judge Collins constituted criminal  
11 behavior.

12 Second, in the end of Mr. Sison's motion he said  
13 that Mr. Cristea should look at this as a warning, as an omen  
14 of what could happen to him. I can assure you, Judge, when  
15 the Pretrial Services Office filed this motion to revoke,  
16 they didn't look at this as a warning, as an omen, they felt  
17 this was very serious, and they felt that no condition or  
18 combination of conditions could secure the safety of the  
19 community.

20 We didn't spend three and a half hours of a  
21 magistrate judge's time, not to mention the time that she  
22 spent reviewing the hearing and in writing her order just to  
23 give Mr. Cristea a warning.

24 And, finally, I just want to say one thing, the  
25 evidence was brought before the Court in the last hearing

1 about the violation of the criminal law. But the simplest  
2 requirement that was part of it was the third-party  
3 notification. All he had to do is notify these people and  
4 submit evidence of that to the Court -- to the Pretrial  
5 Services Office. And he didn't do that. And that shows --  
6 we feel that shows his feelings about his obligations under  
7 the Court's bond. And we would request that this Court enter  
8 its order, give the proceedings de novo review, and enter its  
9 order continuing his detention.

10 Thank you.

11 THE COURT: Thank you.

12 MR. SISON: Your Honor, the reason we did not  
13 address the substance of the allegations against him that  
14 happened at the magistrate's detention hearing was a  
15 strategic one, because in my research it looks and says the  
16 factual findings are subject to clear error. And which as  
17 being an appellate attorney I know that I'm subject to clear  
18 error. A lot of times whether you win or lose depends  
19 on whether or not you are subject to the standard of review  
20 you're looking at.

21 More importantly, though, we shouldn't be required  
22 to address those allegations. The judge found probable cause  
23 that an offense was committed. He's still entitled to a  
24 presumption of innocence. And, therefore, you know, we felt  
25 strategically that it was an appropriate place to litigate

1 the merits of that potential criminal offense for this  
2 hearing. Because the issue before this Court is very simple,  
3 is, A, the law is clear is that when there's been a condition  
4 and a violation of release, a rebuttal of presumption incurs  
5 that no conditions of release could be imposed that could  
6 satisfy the safety of the community. So the law is clear in  
7 the Eighth Circuit with a bond, it basically says that the  
8 burden on the Defendant is to produce evidence to rebut that  
9 presumption, but that the burden of proof still remains on  
10 the Government by clear and convincing evidence to show that  
11 no conditions of release could reasonably assure the safety  
12 of the community.

13 So let's turn to what those proposed conditions of  
14 release are and whether or not they can reasonably assure the  
15 safety of the community. The first issue, the one that he  
16 was -- that the judge found probable cause that a crime was  
17 committed was the allegations that he lied on a financial  
18 information form to get a loan. Well, we proposed a  
19 condition that addresses that. A, that he not participate or  
20 not ask for any loan, credit, any type of money whatsoever  
21 without the express written permission of the Pretrial  
22 Services Office. So that condition hopefully will address  
23 that.

24 The second thing that came up during the hearing was  
25 third-party notification. And you heard some testimony from



1 Ms. Cristea that, okay, at least the understanding from the  
2 Defendant's point of view was maybe it's not the new  
3 business, the new investors that were. At least there was  
4 testimony indicating at least his viewpoint on that.

5 But that being said, we're not even contesting that  
6 there was a violation of the conditions of release. The  
7 question is whether these proposed conditions can reasonably  
8 assure the safety of the community.

9 So what did we propose in this case? We propose  
10 that within 72 hours of release he produce a list of names of  
11 everybody he's done business with in the past year. And  
12 basically within a short time after that provide some letter,  
13 some notification, you know, to inform those people. And  
14 let's look at it from the perspective of will this really  
15 ensure this third-party notification. I promise you if  
16 there's one person on that list that's not notified or one  
17 person that wasn't disclosed on that list, guess who is going  
18 to bear the brunt of that, it will be Mr. Cristea. So I  
19 think that condition will satisfy the third-party  
20 notification.

21 Now, the more important thing, the allegations  
22 regarding the running of the business. It is the  
23 Government's position that this mining business in Arizona,  
24 whichever is the subject of the indictment, is fraudulent,  
25 has always been fraudulent. That being said, there are other

1 businesses that Mr. Cristea is involved with that aren't the  
2 subject of the indictment, such as Charis Minerals, which is  
3 a mining operation in Africa dealing with precious metals.  
4 That being said, what we propose we think goes above and  
5 beyond what is probably required to satisfy, reasonably  
6 assure the safety of the community. We propose that  
7 Mr. Cristea divest himself of all business interests, no  
8 matter what its nature, no matter what they may be and turn  
9 them over to a third party.

10 So he's not going to be, A, if the Government is  
11 worried about Mr. Cristea receiving investments or additional  
12 funds that could be funneled to other people, I think those  
13 conditions address that. If he's divesting himself of all  
14 these businesses and he's notifying them that he's divesting  
15 himself of all these businesses, nobody is going to give him  
16 any money. So I think those conditions would satisfy that.

17 And then if you look to the other portions of the  
18 conditions, you know, you have people who are willing to act  
19 as third-party custodians. In other words, if he violates  
20 the conditions of release, these people could have their  
21 house being leaned on by the government, could lose their  
22 property. The Cristeas in addition to the property that the  
23 Carters are willing to post are willing to post their own  
24 money if need be, which they could lose at the drop of a hat  
25 if he even breaths the wrong way.

1           You know, because let's be clear, Judge, if this  
2       Court is amenable to allow his release, he's going to be  
3       under the tightness of scrutiny whatsoever. You heard, for  
4       example, his wife is going to be looking at him under a  
5       microscope because she doesn't want him gone. And I can  
6       promise you that the Government is not going to be happy  
7       about his release either. So they are going to be looking at  
8       any possible misstep that he could do to put him back in  
9       jail.

10           So then you have those two parties working together  
11       that I think could reasonably assure -- because that's the  
12       key here, Judge -- reasonably assure the safety of the  
13       community. And where the magistrate erred was in jumping  
14       immediately to the conclusion that detention was warranted.  
15       Now, she can jump to that conclusion, but only if she  
16       considers whether there are other less onerous alternatives  
17       that could be imposed that could satisfy the safety of the  
18       community. And in this case we think there is. We provided  
19       another job for him. We provided a higher amount of bond.  
20       In this case we're proposing a \$125,000 secured bond, which  
21       originally it was a \$10,000 unsecured bond. We have divested  
22       himself of all accounts. He can't have any authority in any  
23       accounts.

24           So we're addressing both the financial end and the  
25       business end. And all these conditions we believe, Judge, if

1 you look at it in the aggregate is a condition of, okay, will  
2 these conditions either in combination with each other or all  
3 of them together, will that reasonably assure the safety of  
4 the community? Even assuming that he's committed the  
5 violations in the past, because we're not contesting that,  
6 Judge, because the law still requires you to look at whether  
7 or not these conditions that we propose will be sufficient to  
8 reasonably assure the safety of the community.

9 And if you look at it from a practical perspective,  
10 Judge, you heard Ms. Cristea talk about they've never been  
11 through this before. I think the record is pretty clear, I  
12 think if you look back at the bail report, I think other than  
13 a few municipal traffic tickets, this is really his first  
14 involvement in the criminal justice system.

15 And this is a very complicated case. When  
16 Mr. Rosenblum's office took this case on and we were looking  
17 at it, it's a very complicated case, it's probably going to  
18 require hundreds of hours of manpower and that will  
19 intimately require his defense. He is entitled to the  
20 presumption of innocence on all these charges including the  
21 charge of which he was found probable cause to have committed  
22 at the magistrate's detention hearing, in which we intend to  
23 fully defend at his trial if and when it ever occurs. And  
24 his presence is instrumental not only to our defense but also  
25 to his family.

1 As you've seen, his family is suffering. And,  
2 granted, you could make the point that he brought it upon  
3 himself, and that's right, he did. But guess what, he's paid  
4 for it with almost three months of detention. And I promise  
5 you, Judge, my guess is the inclination is that if he's  
6 committed these offenses before, how can I be reasonably  
7 assured? And the question again is not withstanding that can  
8 these conditions reasonably assure the safety of the  
9 community. And we think they can. And I think that is the  
10 ultimate legal question that the Court must address.

11 THE COURT: Thank you. I will review the exhibits  
12 that you've submitted along with the testimony that was  
13 presented at the earlier hearing and at this hearing, and I  
14 will have a ruling on your motion as soon as possible. So  
15 I'm taking the matter under advisement. And we're in recess.  
16 The Defendant is remanded to custody.

17 (Court in recess at 11:26 a.m.)  
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C E R T I F I C A T E

I, Susan R. Moran, Registered Merit Reporter, in and for the United States District Court for the Eastern District of Missouri, do hereby certify that I was present at and reported in machine shorthand the proceedings in the above-mentioned court; and that the foregoing transcript is a true, correct, and complete transcript of my stenographic notes.

I further certify that I am not attorney for, nor employed by, nor related to any of the parties or attorneys in this action, nor financially interested in the action.

I further certify that this transcript contains pages 1 - 61 and that this reporter takes no responsibility for missing or damaged pages of this transcript when same transcript is copied by any party other than this reporter.

IN WITNESS WHEREOF, I have hereunto set my hand at St. Louis, Missouri, this 17th day of June, 2015.

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/s/ Susan R. Moran  
Registered Merit Reporter